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IN THE

Supreme Court of the United States

OCTOBER TERM, 1949.

No. 253

EUREKA WILLIAMS CORPORATION,
Petitioner,

vs.

SYNCROMATIC CORPORATION,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT, AND BRIEF IN SUPPORT THEREOF.

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Of Counsel.

THE BUNTHORP-WARREN PRINTING COMPANY, 310 WEST JACKSON, CHICAGO

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT, AND BRIEF IN SUPPORT THEREOF.

The petition of Eureka Williams Corporation respectfully shows to this Court:

SUMMARY STATEMENT OF THE MATTER INVOLVED.

Petitioner, Eureka Williams Corporation, is a corporation of Michigan, which resulted from the merger in 1945 of Eureka Vacuum Cleaner Company, a Michigan Corporation, and Williams Oil-O-Matic Heating Corporation, a corportion of Illinois.

The business of petitioner's Williams Oil-O-Matic Division is principally the manufacture and sale of oil burners and furnaces, which was commenced by petitioner's predecessor in 1920.

Petitioner is the owner of the trade-mark OIL-O-MATIC for oil burners and furnaces, which trade-mark was coined by petitioner's predecessor and has been used continuously in its business in connection with such products since 1920. The trade-mark is registered in the United States Patent Office, registrations Nos. 199,644 (R. 219), 222,211 (R. 220), 239,830 (R. 221), 262,277 (R. 222), and 304,965 (R. 223).

The trade-mark OIL-O-MATIC for oil burners and furnaces has been very widely advertised by petitioner, and it has come to mean oil burners and furnaces of high quality everywhere in the United States and throughout the world.

Petitioner and its predecessors have spent nearly $5,000,000 in advertising the trade-mark (R. 174), using newspaper, magazine, radio, and other advertising media. More than 1725 dealers (R. 174) have been trained by petioner and have established businesses dealing in petitioner's OIL-O-MATIC products.

The trade-mark OIL-O-MATIC has been built up at great effort and great expense by petitioner and its predecessors over a long period of years, and the trade-mark OIL-O-MATIC is one of the best known nationally advertised trademarks now in use. Petitioner and its predecessors have sold oil burner and furnace products under said trade-mark in a total volume of more than $60,000,000, the retail value of which has been more than triple that amount (R. 123).

The respondent, Syncromatic Corporation, a Wisconsin corporation, started in business in 1931 as Air Conditioning Equipment Corporation. For a number of years it made and sold air conditioning equipment. In 1934 it changed

its name to Syncromatic Air Conditioning Equipment Corporation, continuing the sale of air conditioning equipment, and in 1943 it again changed its name to Syncromatic Corporation.

In 1940, respondent, over the opposition of petitioner, registered the trade-mark "Syncromatic" for *air conditioning apparatus.*

Respondent changed its business from the manufacture of air conditioning equipment to the manufacture of furnaces, and in 1946 respondent first manufactured oil burner equipment, to which it applied the trade-mark "Syncromatic." This use by defendant of "Syncromatic" upon oil burners and furnaces is charged to infringe petitioner's trade-mark OIL-O-MATIC for those specific goods.

Respondent, Syncromatic Corporation, has never conducted any national advertising, and has no dealer organization whatsoever.

Prior to respondent's manufacture and sale of oil burner equipment in 1946, its total business, except for war years, including war contract work, had never exceeded an annual volume of $60,000.

Prior to its adoption of "Syncromatic" as a trade-mark for oil burners, in direct competition with petitioner's oil burners sold under the trade-mark OIL-O-MATIC, there had been no efforts or expense by respondent to establish any public recognition of its trade-mark "Syncromatic" for such products.

This action was tried in the District Court for the Southern District of Illinois, Southern Division, and the District Court held at the conclusion of the trial that there was not sufficient similarity between the marks "Syncromatic" and OIL-O-MATIC so that a person *looking at* the words would be confused, and the Court held that infringement had not been established.

On appeal, the decision of the District Court was affirmed, the Court of Appeals holding that the respective trade-marks were, as a whole, clearly and easily distinguishable, and stating that

> "Infringement of a trade-mark consists in the unauthorized use or colorable imitation of it upon substituted goods of the same class as those for which the mark has been appropriated. The essence of the wrong consists in the sale of the goods of one manufacturer and dealer as and for those of another by means of such trade-mark. It is only when this false representation is directly or impliedly made that relief will be granted."

The Court affirmed the judgment of the District Court and a petition for rehearing thereon was denied July 2, 1949.

THE STATUTES INVOLVED.

This action was filed on November 28, 1947, at which time the Trade-Mark Act of 1946, known as the Lanham Act, was in force. Section 32 of this Act (Title 15, Sec. 1114), in its pertinent provisions reads as follows:

> "Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; * * * shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided (in this chapter) * * *."

Section 45 of the Act, (Title 15 U. S. C. Sec. 1127) in its pertinent portion reads as follows:

> "The term 'colorable imitation' includes any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive purchasers. * * *
>
> "The term 'registered mark' means a mark registered in the United States Patent Office under this Act or under the * * * Act of February 20, 1905 * * *."
>
> "A 'counterfeit' is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark. * * *"

THE QUESTIONS PRESENTED.

The questions sought to be herein presented, are:

1. In determining the question of infringement of a registered trade-mark, is not the Court bound, by Section 32(1) of the Trade-Mark Act of July 5, 1946 (Title 15 U. S. C. Sec. 1114), to grant relief if the accused trade-mark is so similar to the registered trade-mark as to be likely to cause confusion or mistake, or to deceive purchasers as to the source of origin of the goods?

2. In view of the statute, is it not error in an action for infringement of a registered trade-mark, to hold that the essence of the action consists in the sale of the goods of one manufacturer for those of another by means of the trade-mark, and to rule that it is only when such a false representation is directly or impliedly made that relief will be granted?

3. Is not the trade-mark "Syncromatic" so similar to, and such a colorable imitation of, OIL-O-MATIC, when applied to the same goods, as to be likely to cause confusion or mistake, or to deceive purchasers as to the source of origin of the goods, and therefore to subject the respondent to appropriate relief as provided by the statute (Title 15 U. S. C. Sec. 1114)?

REASONS RELIED ON FOR ALLOWANCE OF THE WRIT.

The reasons why the writ of certiorari prayed for should be allowed, are:

1. The trade-mark Act of 1946 (Title 15 U. S. C. Sec. 1114) specifically provides that a person shall be liable for appropriate remedies in a civil action if he uses a trade-mark which is so similar to, or such a colorable imitation of, a registered mark that it is likely to cause confusion or mistake, or to deceive purchasers as to the source of origin of such goods. The Court of Appeals for the Seventh Circuit in this case went beyond the requirement of the statute, and stated that in trade-mark infringement actions the essence of the wrong consists in the sale of the goods of one manufacturer or dealer as and for those of another by means of such trade-mark, and the Court held that it is only when such a false representation is directly or impliedly made that relief will be granted.

2. The Supreme Court of the United States has never interpreted the language of Section 32(1) of the Trade-Mark Act of 1946 (15 U. S. C. 1114), and the Court in the Seventh and other Circuits are in hopeless confusion as to the test of infringement to be applied, as is evidenced by the numerous inconsistent decisions relative to infringement in trade-mark actions. (Cf. *Latouraine Coffee Co.* v. *Lorraine Coffee Co.*, 157 F. 2d 115 (C. A. 2); *Avrick, et al.* v. *Rockmont Envelope Co.*, 155 F. 2d 568 (C. C. A. 10).) It is extremely important to industry and to a uniform interpretation of the new Trade-Mark Act that the Supreme Court pronounce a test of infringement which will resolve this confusion.

3. The Supreme Court of the United States has not, in any opinion since 1900, laid down any rules for testing the likelihood of confusion between trade-marks, and its decisions asserted in the cases of *McLean* v. *Fleming*, 96 U. S. 245, and *Saxlehner* v. *Siegel-Cooper Co.*, 179 U. S. 42, have not for many years been applied with uniformity by the various Circuit Courts of Appeal.

4. The trade-mark charged to infringe herein so closely simulates petitioner's registered trade-mark as to use all except the first three letters thereof. Yet the Court of Appeals in this case held that

> "To the ear and sight they are entirely different."

This same Court, in other cases, has held that such trade-marks as "Print-Ad-String" and "Tye-Ad-String" (*Weiner* v. *National Tinsel Mfg. Co.*, 123 F. 2d 96) and "Cutex" and "Cuticlean" (*Northam-Warren Corp.* v. *Universal Cosmetic Co.*, 18 F. 2d 774) were confusingly similar when applied to the same goods. It is therefore obvious that the test of trade-mark infringement applied in the Seventh Circuit has been confused and nonuniform.

5. The result of the decision in the present case is to deny any protection under the trade-mark statutes against the use of a *confusingly* similar trade-mark, unless that trade-mark be substantially identical with the trade-mark OIL-O-MATIC, in appearance, sound, and general significance. Under the statute, such substantial identity is the test of a "counterfeit" or "spurious" trade-mark, and not the test of a "colorable imitation" or infringing trade-mark. The Court of Appeals, therefore, in effect limits the protection of the statute to relief only against "counterfeit" or "spurious" marks.

PRAYER.

Wherefore, your petitioner respectfully prays that a writ of certiorori may be issued out of and under the seal of this Honorable Court, directed to the United States Court of Appeals for the Seventh Circuit, commanding that Court to certify and transmit to this Court for its review and determination, a full and complete transcript of the record and proceedings in the cause numbered and entitled on its docket No. 9741, Syncromatic Corporation *vs.* Eureka Williams Corporation; and that the judgment of the said Court of Appeals for the Seventh Circuit may be reversed, and that your petitioner may have such other and further relief in the premises as to this Honorable Court may seem meet and just.

EUREKA WILLIAMS CORPORATION,
WARREN C. HORTON,
Counsel for Petitioner.

E. J. BALLUFF,
Of Counsel.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

OPINION OF THE COURT BELOW.

The opinion of the Court of Appeals for the Seventh Circuit is reported in 174 F. 2d 649, and is printed in the record at pages 229 to 232, inclusive.

JURISDICTION.

1. The statute under which jurisdiction is invoked is Judicial Code, Chapter 81, as approved June 25, 1948, (Title 28 U. S. C. 1254).

2. This is a proceeding in a case arising under the trade-mark laws of the United States, in which the United States Courts have exclusive jurisdiction (28 U. S. C. 1338a).

3. The date of the judgment of the Court of Appeals to be reviewed, is May 16, 1949, petition for rehearing of which was denied July 2, 1949 (R. 233).

STATEMENT OF THE CASE.

This is an application for a writ of certiorari to the United States Court of Appeals for the Seventh Circuit, to review a judgment holding that the registered trademark OIL-O-MATIC is not infringed by the mark "Syncromatic". The material facts and the questions involved are set forth in the foregoing petition.

ISSUES INVOLVED.

The issues involved are set forth in the foregoing petition, and are, in brief, that the United States Court of Appeals for the Seventh Circuit failed to interpret the provisions of the Trade-Mark Act of 1946 as they apply to infringement cases, and applied a test of infringement which was contrary to the provisions of such statutes, and contrary to the decisions of this Court on like issues.

ARGUMENT.

1. The Trade-Mark Act of 1946 specifically provides in section 32 that any person who uses a trade-mark so similar to, or such a colorable imitation of, a registered mark as to be likely to cause confusion or mistake, or to deceive purchasers as to the source of origin of such goods, shall be liable in a civil action to the usual remedies of injunction and damages as are provided under the trade-mark laws.

The Trade-Mark Act of 1946 in Section 45 (15 U. S. C. 1127) specifically defines certain of the terms used in the Act. It defines a colorable imitation of a trade-mark as

> "any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive purchasers".

It defines a counterfeit or spurious trade-mark as one

> "which is identical with, or substantially indistinguishable from, a registered mark".

It is clear, therefore, from the language of the statute that a mark which is similar to a registered trade-mark, or which is a colorable imitation of a registered trade-mark, and therefore an infringement thereof need not be so substantially indistinguishable from or identical with a registered mark as is that class of unlawful trade-marks defined as counterfeit or spurious.

Yet in this case, the Court of Appeals for the Seventh Circuit, although giving lip service to the words "colorable imitation," actually limited the question of infringement to such a narrow ground that District Courts which follow strictly the opinion in this case cannot find infringement

of a registered trade-mark by any imitation thereof which is less than that defined by the act as a counterfeit mark.

The registered trade-mark OIL-O-MATIC is charged in this case to be infringed by the mark "Syncromatic" when applied to identical goods, *i. e.*, oil burners. The Court of Appeals held that "to the ear and sight" these marks "are entirely different". Yet the fact is that the mark "Syncromatic" uses each and every letter of the registered trade-mark except the first three letters. If a change of those three letters makes the marks "entirely different", certainly confusing similarity amounting to infringement could not be present short of exact identity.

This decision by the Court not only narrows the protection of the Trade-Mark Act to actual counterfeiting of a trade-mark, but ignores the early decision of this Court in the trade-mark case of *McLean* v. *Fleming,* 96 U. S. 245, 253, wherein the Court said:

> "* * * it is safe to declare, as a general rule, that exact similitude is not required to constitute an infringement or to entitle the complaining party to protection."

The decision of the Court of Appeals in this regard is also contrary to the decision of this Court in *Saxlehner* v. *Eisner & Mendelson,* 179 U. S. 19, wherein the Court said:

> "It is not necessary to constitute an infringement that every word of a trade-mark should be appropriated. It is sufficient that enough be taken to deceive the public in the purchase of a protected article."

In deciding this case, the Court of Appeals laid down a principle to be applied in trade-mark infringement cases, which is quite contrary in general effect to the provisions of the trade-mark statute. Thus, the Court of Appeals said:

> "Infringement of trade-mark consists in the unauthorized use or colorable imitation of it upon sub-

> stituted goods of the same class as those for which the mark has been appropriated. The essence of the wrong consists in the sale of the goods of one manufacturer to dealer as and for those of another by means of such trade-mark. It is only when this false representation is directly or impliedly made that relief will be granted."

It has been established in numerous decisions that actual confusion or "passing off" of goods need not be established by proof to sustain a charge of trade-mark infringement. It is *likelihood* of confusion only which need be shown. That very principle was earlier asserted by the Circuit Court of Appeals for the Seventh Circuit in *Barbasol Co.* v. *Jacobs,* 160 F. 2d 336, and it is now specifically a provision of the trade-mark statute. The Trade-Mark Act of 1946 in section 32 (15 U. S. C. 1114) provides for liability if the infringing mark is "*likely* to cause confusion or mistake", and in section 45 of the Act (15 U. S. C. 1127) the term "colorable imitation" is again similarly defined as one which "so resembles a registered mark as to be *likely* to cause confusion or mistake". It cannot, therefore, be true that the essence of the wrong of trade-mark infringement consists in the sale of the goods of one manufacturer for those of another, as the Court of Appeals held in this case.

Nor can the rule applied by the Court that the trade-mark infringement must amount to a "false representation" stand logically with the rule that wrongful intent, wilfulness, or fraud on the part of the newcomer is not a necessary element, but that on the contrary complete innocence is no defense to trade-mark infringement charges. As this Court stated in *Saxlehner* v. *Siegel-Cooper Co.,* 179 U. S. 42:

> "The fact that the Siegel-Cooper Company acted innocently does not exonerate it from the charge of infringement."

Sale of the goods of one manufacturer for those of another cannot be established unless instances of actual confusion are shown; yet that is not necessary under the statute. There can be no false representation, direct or implied, if proof of innocence is made; yet that would not exonerate one from infringement, as this Court has held. The principle, therefore, upon which the Court of Appeals' opinion in this case was based, is entirely erroneous.

The Court of Appeals for the Seventh Circuit, in complete agreement with earlier decisions of this Court and of other Circuit Courts of Appeal, expressed in *Northam-Warren Corporation* v. *Universal Cosmetic Co.*, 18 F. 2d 174, the fundamental test of trade-mark infringement, saying:

> "Whether there is an infringement of a trade-mark does not depend upon the use of identical words, nor on the question as to whether they are so similar that a person looking at one would be deceived into the belief that it was the other; but it is sufficient if one adopts a trade name or a trade-mark so like another in form, spelling or sound, that one with a not very definite or clear recollection as to the real trade-mark is likely to become confused or misled."

In the present case, however, the Court of Appeals for the Seventh Circuit departed from that fundamental test, and contrary to universal practice dissected the registered trade-mark OIL-O-MATIC and the accused trade-mark "Syncromatic" to point out such minute differences as the absence of hyphens in the latter mark, and the difference in the first syllable of the latter mark as compared with the first syllable of the registered mark. Such differences in appearance, and such minute differences in sound, are only apparent when the marks are placed side by side and carefully examined. Yet in applying its previously stated test of infringement, the Court of Appeals for the

Seventh Circuit found infringement between the marks "Cutex" and "Cuticlean", in which the only similarity was the first three letters. Likewise, the same Court applied the same rule in the case of *Weiner* v. *National Tinsel Mfg. Co.*, 123 F. 2d 96, wherein it found that the trade-marks "Print-Ad-String" and "Tye-Ad-String" were confusingly similar.

Certainly the similarities between the marks in the present case are as great as in the cited cases, and the differences between the marks here involved are not of any greater significance. Yet the Court of Appeals in this case states that the marks "Syncromatic" and OIL-O-MATIC are "entirely different".

It is obvious that the Court of Appeals for the Seventh Circuit is confused in its application of the law of trade-mark infringement, and does not arrive at uniform results which can be depended upon by the public, by industry or by the legal profession in advising clients. The lower Courts are led to even greater confusion when confronted with such conflicting opinions, and as a result throw out any standard and adopt such individual and wholly unsatisfactory tests as whether the particular Judge, with both marks before him, believes that he would or would not be confused thereby. That was precisely the test which the District Court applied in this case.

That such a test is not even approximately correct is evidenced by the fact that in this very case the Court of Appeals, in the solitude of its chambers, apparently could not distinguish between the mark OIL-O-MATIC and the mark "Airomatic", which was involved in a previous proceeding between these parties, reported at 109 F. 2d 748, and could not distinguish between the mark "Theromatic" and the mark "Thermatic", which was involved in the case of *Williams* v. *Bliss*, 54 F. 2d 430.

The Supreme Court has not yet interpreted the language of Section 32 of the Trade-Mark Act of 1946 (15 U. S. C. 1114), nor has it laid down any rules for testing the likelihood of confusion between trade-marks since its early decisions in *McLean* v. *Fleming*, 96 U. S. 245, and *Saxlehner* v. *Siegel-Cooper Co.*, 179 U. S. 42. As a result, Circuit Courts of Appeal (Cf. *Hemmeter Cigar Co.* v. *Congress Cigar Co.*, 118 F. 2d 64 C. A. 6) like the Seventh Circuit in this case, have arrived at confusing and inconsistent decisions which have led to even greater confusion in the District Courts. The United States Patent Office and the United States Court of Customs and Patent Appeals have, without any sure standard, reached such repeatedly inconsistent decisions in determining questions of confusing similarity between trade-marks, that it is completely unpredictable as to what their decisions may be in any given case.

In the opinion of the Court of Appeals for the Seventh Circuit in this case, the Court set up as examples of marks which had some similarities, but which it said were entirely lacking in confusion, the marks "White Man" and "Red Man". Yet the Court of Customs and Patent Appeals in 107 F. 2d 583, expressly held that "Red Horse" and "White Horse" were confusingly similar, and stated that the likelihood of confusion

"is so apparent as to require no discussion".

It is obvious, from such diametrically opposite opinions, that a test of likelihood of confusion which can be uniformly followed by the lower Courts, should be established by this Court.

Conclusion.

It is respectfully submitted that the present petition presents important questions relating to interpretation of the Trade-Mark Act of 1946, and presents a question as to whether it is worth while to make great efforts to advertise and build up a valuable trade-mark if the protection to be afforded thereto under the trade-mark laws is to be so narrow that any newcomer who wishes to ride upon the good will of the pioneer need only make minute and colorable changes in the registered trade-mark to avoid infringement.

It is respectfully submitted that the petition should be granted to the end that the present confusion relative to trade-mark infringement be resolved.

Respectfully,

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IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1949

No. 253

EUREKA WILLIAMS CORPORATION,

Petitioner,

v.

SYNCROMATIC CORPORATION,

Respondent.

REPLY BRIEF FOR RESPONDENT

OPINION OF THE COURT BELOW

The opinion of the District Court for the Southern District of Illinois, Southern Division, is not reported but is printed at R. 141-143.

The opinion of the Court of Appeals for the Seventh Circuit is reported at 174 F. (2d) 649 and is printed at R. 229-232.

JURISDICTION

The judgment of the District Court was filed on July 16, 1948 (R. 198) and the judgment of the Court of Appeals for the Seventh Circuit was entered on May 16, 1949. (R. 232) Petitioner herein filed a petition to the Court of Appeals for the Seventh Circuit asking for a rehearing, and on July 2, 1949 an order was entered denying that petition. (R. 233)

Petitioner invokes the jurisdiction of this Court under Chapter 81, Judicial Code, as approved June 25, 1948 (Title 28 U.S.C. 1254). However, petitioner has not advanced any valid reason for granting the writ of certiorari. The District Court found (Finding 17, R. 195) "The plaintiff's trade-mark *Syncromatic* is not confusingly similar to, or likely to be confused with, defendant's trade-mark *Oil-O-Matic* even though they are used upon the same descriptive goods and there is no reasonable likelihood of confusion."

This finding is the basis of the District Court's decision and the opinion of the Court of Appeals in nowise reverses or overrules it but, on the contrary, is substantially based thereon.

ADDITIONAL STATEMENT OF THE CASE

The brief of the petitioner makes no mention of the fact that respondent first began to use the trade-mark *Syncromatic* in November, 1933. (Findings of Fact Nos. 2 and 3, R. 193)

At page 3 of petitioner's brief the statement is made that "Respondent changed its business from the manufacture of air conditioning equipment to the manufac-

ture of furnaces * * *." In this connection attention is directed to Finding of Fact No. 18 (R. 195) which states that "Plaintiff, when it was first organized, manufactured and installed equipment for air conditioning by the circulation of either cool or warm air. Later it began the manufacture of furnaces and *has continued to manufacture and sell goods of the same descriptive properties ever since.*" (Emphasis supplied)

Petitioner's brief (page 3) also makes the statement that respondent "has never conducted any national advertising * * *." The record shows that while respondent's annual advertising expenditures were not as large as petitioner's, respondent nevertheless has advertised to some extent on a national scale. (R. 53-55, 76-77) This will also answer the statement on the same page of respondent's brief that "Prior to its adoption of *Syncromatic* as a trade-mark for oil burners, in direct competition with petitioner's oil burners sold under the trademark *Oil-O-Matic,* there had been no efforts or expense by respondent to establish any public recognition of its trade-mark *Syncromatic* for such products."

Petitioner also says (page 3) that respondent "has no dealer organization whatsoever." This statement is likely to create an erroneous impression. While respondent does not retail its own products, it does sell through independent wholesale and jobbing outlets which, in turn, distribute or sell to distributors. (R. 35) These wholesalers, jobbers and distributors are regular customers of respondent. It was to protect the good will of one of its wholesale outlets, the Airtex Corporation of Chicago, that respondent brought this declaratory judgment action against the petitioner. (R. 78-79, 166-167)

Petitioner's brief also states (page 3) that the District Court held that "there was not sufficient similarity between the marks *Syncromatic* and *Oil-O-Matic* so that a person *looking* at the marks would be confused." (Emphasis in petitioner's brief) Reference to the opinion, however, (R. 142-143) will show that this was only one of several grounds upon which the District Judge rested his decision, and he clearly and repeatedly stated that the marks in question are not confusingly similar and that there is no reasonable likelihood of confusion between them.

Petitioner says (brief, page 3) that prior to 1946 respondent's total business, except for war years, never exceeded an annual volume of $60,000.00. Reference to Plaintiff's Exhibit 7 (R. 169) will show, however, that in the years 1935 and 1937 the respondent made sales of $63,674 and $81,598, respectively.

SUMMARY OF ARGUMENT

1. The "likelihood of confusion" upon which relief for trade-mark infringement is predicated must be more than a mere speculative possibility.

2. The Court of Appeals recognized that actual consumer confusion, or intent to create consumer confusion, need not be shown in trade-mark cases.

3. The ultimate question of trade-mark infringement is one of fact, and each case must be decided upon its own facts.

4. Petitioner overlooks the fact (recognized by the Court of Appeals) that the relative costliness of the goods of the parties is an important consideration in determining the likelihood of consumer confusion.

5. There is no showing that the crucial finding of fact in this case is "clearly erroneous."

ARGUMENT

This entire case turns upon the single purely factual question of whether the marks *Syncromatic* and *Oil-O-Matic* are so confusingly similar as to be "likely to cause confusion or mistake or to deceive purchasers." (Title 15 U.S.C., Sec. 1114) Both of the courts below have resolved this question against the petitioner. (Finding No. 17, R. 195; R. 231, 232)

The gist of petitioner's argument is that the courts below have applied incorrect tests in arriving at their conclusions on this question and have thus narrowed the protection afforded by the Trade-Mark Act to actual counterfeiting of a trade-mark.

But it is submitted that the Court of Appeals was well aware of the true basis for any trade-mark infringement action. Relief for trade-mark infringement is not granted when there is merely some remote possibility of consumer confusion; it is afforded to a trade-mark owner to protect him in the use of his mark when there appears to be a real likelihood that the consuming public will confuse his goods with those of another. Even in holding, as this Court did in *McLean v. Fleming,* 96 U.S. 245 @ 253, that "exact similitude is not required to constitute an infringement or to entitle the complaining party to protection," this Court nevertheless recognizes that there must be a real likelihood that the public will be deceived or confused by the allegedly infringing trade-mark. The courts have said on many occasions that the law of trade-mark infringement is a part of the broader

law of unfair competition. *Hanover Star Milling Co. v. Metcalf,* 240 U.S. 403, 36 S.Ct. 357. Hence the basis for granting relief in any trade-mark action is the likelihood that the complainant will be injured in his business by the infringing trade-mark use and as a result of the consequent consumer confusion.

Such a likelihood, however, must amount to a *probability,* and not merely a remote possibility. This the Court of Appeals for the Seventh Circuit understands very well. For example, in *Quaker Oats Co. v. General Mills,* 134 F. (2d) 429, the Seventh Circuit Court said (at page 433):

> "When met in the market place, the products of the parties left no room for doubt as to their source or their nature. There was no confusion there. That is the place that counts. Purchases of merchandise are not made in a vacuum with Professor Quiz in charge. It may be possible to create confusion in this case, but neither the names nor the manner of marketing the products does so."

The Court of Appeals recognized this basic principle in the instant case in holding that "Infringement of a trade-mark consists in the unauthorized use or *colorable imitation* of it upon substituted goods of the same class as those for which the mark has been appropriated. The essence of the wrong consists in the sale of the goods of one manufacturer or dealer as and for those of another by means of such a trade-mark. It is only when this false representation is directed *or impliedly* made that relief will be granted." (R. 230, emphasis supplied)

Petitioner argues (p. 15) that the Court of Appeals has overlooked its own holding in *Barbasol Company v. Jacobs,* 160 F. (2d) 336 that only the likelihood of confusion need be shown to establish trade-mark infringe-

ment, and there need not be any evidence of actual confusion or passing off. The corollary of the *Barbasol* case, however, is that there can be no trade-mark infringement unless there *is* a ***probability*** of consumer confusion, i.e. at least an *implied* false representation. That is what the statute says, and that is exactly what the Court of Appeals has said in the statement quoted above and which defendant has questioned. Hence the quoted statement contains no such error as would warrant or necessitate the granting of a writ of certiorari by this Court.

Petitioner also argues (p. 15-16) that the Court of Appeals has applied the rule that the trade-mark infringement must amount to a "false representation" and that this rule is inconsistent with the holding of this Court that wilfulness or fraud on the part of the newcomer is not a necessary element in trade-mark infringement. (*Saxlehner v. Siegel-Cooper Co.,* 179 U.S. 42, 21 S.Ct. 16.)

The statement of the Court of Appeals that there must be at least an *implied* misrepresentation is not at odds with the holding that wrongful intent or fraud need not be shown to entitle a trade-mark owner to a decree. But the statement does point to the real basis for any such decree when it *is* granted—i.e. that the newcomer's use of the mark is likely to cause consumers to believe that the goods of both parties have a common source or origin.

Petitioner, at page 16 of its brief, argues that the Court of Appeals in this instance has failed to apply the test set forth in the *Northam-Warren* case, 18 F. (2d) 774, which holds in effect that a trade-mark infringes another when one with a not very definite or clear recollection of the real mark is likely to become confused or misled. It is submitted, however, that the

Court of Appeals did not disregard that test in holding that the marks as a whole are "clearly and easily distinguishable" (R. 231) and "do not look or sound alike." (R. 231)

Petitioner argues also (brief, pages 16-17) that the marks here in question are more nearly similar to one another than pairs of marks held to be confusingly similar in numerous other cases in which the Seventh Circuit Court of Appeals found trade-mark infringement. But it is elementary that each trade-mark case must be decided upon its own facts. *Coca-Cola Co. v. Carlisle Bottling Works,* 43 F. (2d) 119 @ 121 (C.A.-6, 1930).

An important fact in this case which undoubtedly influenced the decision of the Court of Appeals, even though it is not mentioned expressly in the opinion, is the relative costliness of the goods of both parties. Heating equipment is normally purchased with great care and deliberation,[1] and it is very unlikely that a purchaser of heating equipment will be confused by two trade-marks having some slight similarity; whereas the same purchaser would buy soft drinks, nail polish, or other inexpensive items with so much less caution that he might well be confused by trade-marks having the same, or even a greater degree, of similarity. *Coca-Cola Co. v. Carlisle Bottling Works,* 43 F. (2d) 119 @ 120 (C.A.-6, 1930).

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[1] "Q. Now, how is the consumer advertising of the Williams Oil-O-Matic Company slanted in the heating industry, is it intended to make the consumer rush out and buy uncritically?

"A. I hope not.

"Q. Or is it expected to make him include that particular item on his shopping list when he starts looking for heating?

"A. Well, we try to get the prospect to remember that there is an *Oil-O-Matic* heater when they go to look for heating." (Testimony of defendant's witness Casler, R. 111)

That the Court of Appeals had this in mind is evident from its citation (R. 231) of *Williams Oil-O-Matic Heating Corp. v. Bliss,* 54 F. (2d) 430,[1] in which the Court of Customs and Patent Appeals said (at page 432):

> "In the case of International Silver Co. v. American Silver Co., 37 F. (2d) 622, 623, 17 C.C.P.A. 871 this court, in an opinion by Lenroot, J., considered the question of the confusing similarity of the trade-mark 'A.S. Co. 1857,' with the trade-mark '1847 Rogers Bros.,' used on identical goods, and, among other things, said:
>
> > "'We may take judicial notice of the fact that the purchase of silverware, sterling or plated, involves a considerable degree of care and discrimination upon the part of the purchaser. The goods are valuable. They are not a matter of every day purchase upon the part of an individual, like food products or other products that require frequent replacement. A person might purchase silverware bearing the mark "1857" alone in the belief that he was buying goods manufactured by the owner of the mark "1847 Rogers Bros.," but we do not think this confusion is likely to occur with the mark "A.S. Co. 1857."
> >
> > "'Were the goods upon which the marks are used of a character involving less discrimination and care in their purchase, we might come to a different conclusion.'
>
> "The language of the court in that case is particularly applicable to the facts in issue in the case at bar, and we may here, as there, take judicial notice of the fact that the purchase of devices of the char-

[1] Note also that the Court of Appeals said that the marks of the parties in this suit are "clearly and easily distinguishable *when applied to an apparatus of the character involved here.*" (R. 231, emphasis supplied)

> acter of those produced by the involved parties is attended with care and discrimination upon the part of the purchaser."

The correctness of the decision of the Court of Appeals turns upon the single question of whether Finding of Fact No. 17 (R. 195) is "clearly erroneous." (Rule 52, F.R.C.P., 28 U.S.C., following Sec. 723c) This finding says that "there is no reasonable likelihood of confusion" between the marks of the parties, and it therefore constitutes a direct application to the facts in the record of the test prescribed by the statute. The Court of Appeals concluded its opinion by saying: "Inasmuch as the record reflects no clearly erroneous action upon the part of the District Court, the judgment is affirmed." (R. 232)

It follows that the only question which could be brought before this Court if a writ of certiorari were granted in this case is the pure question of fact: Is Finding of Fact No. 17 clearly erroneous?

This, it is submitted, is not such a question as warrants the attention of this Court.

CONCLUSION

The petition for writ of certiorari presents no adequate reason why this Court should review the decision of the Court of Appeals for the Seventh Circuit. The sole question in the case is a purely factual one, and that question has already been twice decided against the petitioner.

It is respectfully submitted that the petition should be denied.

Respectfully submitted,

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